

ENTERPRISE FUNDS

Each spring, students in the School of Forest Resources at the University of Arkansas-Monticello spend one week testing both their technical and physical forestry skills. The week is culminated by the annual Forestry Field Day, a competition of traditional lumberjack skills such as pole climbing, log chopping, bow sawing and log birling (walking on a log in water). The winners and alternates in each technical and physical category go on to represent UAM at the Association of Southern Forestry Clubs Conclave, a competition featuring forestry students from other colleges and universities across the country. Conclave began in 1958 and UAM students have dominated the event, winning 25 of the previous 43 competitions, including 24 of the last 34, 12 of the last 14, and five in a row.



ENTERPRISE FUNDS

The enterprise funds are used to account for operations of those state agencies and/or programs providing goods or services to the general public or a user-charge basis or where the State has decided that periodic determination of revenues earned, expenses incurred and/or income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise funds consist of the following:

Workers' Compensation Commission - This agency is responsible for providing a prompt and equitable system of compensation for injury or illness sustained during the course of employment.

Construction Assistance Revolving Loan Fund - This program is responsible for providing a perpetual fund for financing the construction of waste water treatment facilities for municipalities and other public entities.

Other Revolving Loan Funds - These programs are responsible for providing a perpetual fund for financing the planning, design, acquisition, construction, expansion, equipping, and/or rehabilitation of water systems and the financing of capitalizable educational and general projects for community and technical colleges.

Enterprise Funds

Combining Balance Sheet

June 30, 2000
(Expressed in Thousands)

	Workers' Compensation Commission	Construction Assistance Revolving Loan Fund	Other Revolving Loan Funds	Total
ASSETS:				
Cash and cash equivalents	\$ 148,349	\$ 20,557	\$ 7,433	\$ 176,339
Investments		53,569		53,569
Receivables, net:				
Accounts	8,754	140		8,894
Loans		174,296	5,648	179,944
Investment related	2,230	859	66	3,155
Fixed assets, net	3,134		40	3,174
Other assets	<u>10,205</u>	<u>1,856</u>		<u>12,061</u>
TOTAL ASSETS	<u>\$ 172,672</u>	<u>\$ 251,277</u>	<u>\$ 13,187</u>	<u>\$ 437,136</u>
LIABILITIES AND EQUITY:				
Liabilities:				
Accounts payable	\$ 534	\$ 443	\$ 86	\$ 1,063
Accrued and other liabilities	12,307	497		12,804
Deferred revenues		3,868	187	4,055
Workers' compensation benefits payable	170,202			170,202
Capital leases	1,926			1,926
Special obligation bonds payable	<u></u>	<u>114,646</u>	<u></u>	<u>114,646</u>
Total liabilities	<u>184,969</u>	<u>119,454</u>	<u>273</u>	<u>304,696</u>
Equity:				
Retained earnings (deficit) unreserved	(12,297)	10,899	(1,094)	(2,492)
Contributed capital	<u></u>	<u>120,924</u>	<u>14,008</u>	<u>134,932</u>
Total equity (deficit)	<u>(12,297)</u>	<u>131,823</u>	<u>12,914</u>	<u>132,440</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 172,672</u>	<u>\$ 251,277</u>	<u>\$ 13,187</u>	<u>\$ 437,136</u>

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)

For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Workers' Compensation Commission</u>	<u>Construction Assistance Revolving Loan Fund</u>	<u>Other Revolving Loan Funds</u>	<u>Total</u>
OPERATING REVENUES:				
Licenses, permits and fees	\$ 7,709			\$ 7,709
Investment earnings		\$ 9,311	\$ 479	9,790
Insurance tax	8,613			8,613
Other	<u>357</u>	<u>1,751</u>	<u>3</u>	<u>2,111</u>
Total Operating Revenues	<u>16,679</u>	<u>11,062</u>	<u>482</u>	<u>28,223</u>
OPERATING EXPENSES:				
General and administrative	21,666	1,057	1,293	24,016
Interest		6,070		6,070
Provision for loan loss		174		174
Depreciation	214			214
Amortization	<u></u>	<u>307</u>	<u>53</u>	<u>360</u>
Total Operating Expenses	<u>21,880</u>	<u>7,608</u>	<u>1,346</u>	<u>30,834</u>
Operating Income (Loss)	<u>(5,201)</u>	<u>3,454</u>	<u>(864)</u>	<u>(2,611)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment earnings	7,286			7,286
Interest	<u>(131)</u>	<u></u>	<u></u>	<u>(131)</u>
Total Non-Operating Revenue	<u>7,155</u>	<u></u>	<u></u>	<u>7,155</u>
Income (Loss) Before Operating Transfers	<u>1,954</u>	<u>3,454</u>	<u>(864)</u>	<u>4,544</u>
OPERATING TRANSFERS -				
Operating transfers out - primary government	<u>(229)</u>	<u></u>	<u></u>	<u>(229)</u>
NET INCOME (LOSS)	<u>1,725</u>	<u>3,454</u>	<u>(864)</u>	<u>4,315</u>
RETAINED EARNINGS (DEFICIT)				
AT BEGINNING OF YEAR	<u>(14,022)</u>	<u>7,445</u>	<u>(230)</u>	<u>(6,807)</u>
RETAINED EARNINGS (DEFICIT)				
AT END OF YEAR	<u><u>\$ (12,297)</u></u>	<u><u>\$ 10,899</u></u>	<u><u>\$ (1,094)</u></u>	<u><u>\$ (2,492)</u></u>

Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Workers' Compensation Commission	Construction Assistance Revolving Loan Fund	Other Revolving Loan Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (5,201)	\$ 3,454	\$ (864)	\$ (2,611)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation, accretion and amortization	214	(71)	50	193
Provision for loan loss		174		174
Loss on disposals of assets	14			14
Changes in operating assets and liabilities:				
Accounts receivable	1,181	(71)		1,110
Investment related receivable	(418)	(183)	(15)	(616)
Other assets	(10)			(10)
Accounts payable and accrued expenses	89	(52)	(1,509)	(1,472)
Workers' compensation benefits payable	2,083			2,083
Other liabilities		354		354
Net Cash Provided (Used) by Operating Activities	<u>(2,048)</u>	<u>3,605</u>	<u>(2,338)</u>	<u>(781)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Operating transfers out to other funds	(229)			(229)
Borrower's contribution			190	190
Repayment of bonds		(3,536)		(3,536)
Interest expense	<u>(131)</u>			<u>(131)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(360)</u>	<u>(3,536)</u>	<u>190</u>	<u>(3,706)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital lease obligation	(110)			(110)
Proceeds from disposal of capital assets	2			2
Proceeds from grants		2,362	6,060	8,422
Acquisition of capital assets	<u>(966)</u>			<u>(966)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,074)</u>	<u>2,362</u>	<u>6,060</u>	<u>7,348</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments		(35,073)		(35,073)
Investment earnings	7,286			7,286
Proceeds from sales and maturities of investments		12,808		12,808
Loan disbursements		(12,282)	(4,376)	(16,658)
Principal repayments on loans		7,559	156	7,715
Net Cash Provided (Used) by Investing Activities	<u>7,286</u>	<u>(26,988)</u>	<u>(4,220)</u>	<u>(23,922)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,804	(24,557)	(308)	(21,061)
CASH AND CASH EQUIVALENTS:				
Beginning of year	<u>144,545</u>	<u>45,114</u>	<u>7,741</u>	<u>197,400</u>
End of year	<u>\$148,349</u>	<u>\$ 20,557</u>	<u>\$ 7,433</u>	<u>\$ 176,339</u>

